

**Testimony of Carolyn Trantalis RN, MSN
Vice President of Eldercare Services – Sheltering Arms
Re: H.B. No. 6659 (COMM) AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM
ENDING JUNE 30, 2025 AND MAKING APPROPRIATIONS THEREFOR.**

**Concerning
Department of Social Services Budget- Residential Care Home Funding
Appropriations Subcommittee on Human Services Public Hearing, March 1, 2023**

**Senator Osten, Representative Walker, Senator Berthel, Representative Nuccio and Members
of the Appropriations Subcommittee on Human Services, thank you for the opportunity to
offer testimony on the Department of Social Services Budget related to Residential Care (RCH)
Home Funding.**

My name is Carolyn Trantalis, and I am the Vice President of Eldercare Services at Sheltering Arms located in Norwich. I am here today to support the Governor's added funding for residential care homes while urging this committee to ensure all homes receive an increase in their rates.

Sheltering Arms opened its doors in 1877 as a service of United Community and Family Services Inc. (UCFS) and has been in continuous operations since that date. UCFS built a new facility in 1926 located at 165 McKinley Avenue, Norwich, CT 06360. Currently, Sheltering Arms is a licensed 30 bed Residential Care Home (RCH) for the elderly, providing a home to those 60 years or older who can no longer live alone, but who do not need more costly long-term care. Residents are provided with an array of services which include assistance with activities of daily living, medication administration by certified staff, meals, recreation on site and in the community, laundry, housekeeping, and care coordination. Care givers work closely with the residents' family members, care managers and clinical providers to ensure continuity of care. Co-located in the building is the Ross Adult Day Center which serves approximately 25 clients a day, including some Sheltering Arms residents.

UCFS provides a continuum of comprehensive care services to residents of Eastern Connecticut. Through our Federally Qualified Health Center (FQHC), UCFS provides medical, dental, and behavioral health services to 15,000 patients from six outpatient locations in New London and Windham counties including a site in the Sheltering Arms building, and eight school-based health center locations. UCFS is also a contractor with the Connecticut Department of Children and Families providing evidenced-based behavioral health interventions in homes and community settings for ten different programs. This integration of services under a single corporation has not only benefited the community but enabled UCFS to subsidize losses incurred by Sheltering Arms over many years.

Sheltering Arms incurred a net operating loss of over \$800,000 for periods ending September 30, 2022, and September 30, 2021, in an industry that has seen little to any inflationary payment increases over the last 10-15 years. If not for the support of UCFS these continuous losses would have closed the facility many years ago, but in the current climate, the agency no longer has the resources to subsidize Sheltering Arms. In addition to the continued losses and as a direct result of our physical plant constraints, Sheltering Arms census as of January 31, 2023 averaged 55% for the prior 12 month rolling period.

Under the proposed budget, the Governor would rebase residential care home rates and provide funds of \$5.2 million in each year of the biennium. Our rate system is highly complex and due to years of flat funding, rebasing has not occurred in almost ten years. Since that time statutory changes have been made. Therefore, we want to ensure that all homes see a rate increase under this proposal. A rebasing could possibly see some homes rates stagnant with no increase due to the cost based reimbursement system.

The CT Association of Residential Care Homes (CARCH) wants to work with the legislature and the administration as the session proceeds on the distribution of funds. Some homes have recently closed, and we don't want any more to do so.

Homes will continue to be funded through the State Supplement – Aid to Aged, Blind and Disabled line items within the DSS budget. After several budget proposals to provide residential care homes with the ability to bill Medicaid, I would note that the administration is no longer pursuing this approach due to the complexity of Medicaid billing and potential impact to resident benefits.

Similar concern should be shown with rebasing rates. We would urge the committee to ensure every home sees a rate increase. Without such an increase, homes like Sheltering Arms will be forced to close.

These funds are critically important to our workforce. We value our employees who deserve so much more for the work they do for a challenging but rewarding population. Turnover at Sheltering Arms in 2022 with the "great resignation" was 54.5 % and has been compounded by an 8% inflation on goods and services, and market forces increased wages.

Unfortunately, paying employees the necessary wages to attract new people to our industry is almost impossible, resulting in higher employee turnover. Our industry strives to employ people in long-term careers so that they can establish and maintain relationships with our residents. This leads to better long-term health outcomes, stability in the home and savings for our state.

The inconsistent funding also challenges our business operations. We are constantly having to make repairs that are subject to state inspections and yet have virtually no margins to do so.

For this reason, we strongly support the Governor's inclusion of \$5 million of ARPA funds for potential capital improvements. As our homes are often older structures, work is badly needed and there has not previously been an opportunity to access such capital funds. Additionally, due to lack of stable funding, many homes can't get bank loans.

The Governor's proposed investments in residential care homes acknowledge the sad reality that residential care homes have not received the necessary funding for years. This has resulted in recent closures of RCHs as the industry has shrunk from over 100 licensed homes to now under 90.

We provide a critical service for the state and care for some of the most vulnerable people. We do this at a low cost. Sheltering Arms and other residential care homes throughout the state have had to get by with rates failing to keep up with costs and yet we serve as the safety net for the frail elderly and many people with mental health diagnoses and substance abuse issues. Unlike other providers, our residents are almost all state funded - limiting our ability to cost shift and making up for low rates.

Please support residential care home funding for all homes so that we can keep our great employees and pay them fairer wages while they care for some of the most vulnerable in the state.



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